

Senza Sordino

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SUMMER SUPPLEMENT — No. 6

THE CHAIRMAN'S MESSAGE

PARTNERSHIP FOR THE ARTS

The goal of the Partnership for the Arts is the appropriation to the *National Endowment* of \$100 million in 1974, \$150 million in 1975 and \$200 million in 1976. This, plus the \$39 million already requested by President Nixon for this year, is a set of goals that all symphony players can wholeheartedly support. Last year we were extremely effective; our future participation must be even more comprehensive. Orchestras, union locals and managements that made only token efforts last year must be encouraged to go "all out" this year and every year until the 1976 goal of \$200 million is achieved.

The success of the "Partnership" is critical to our future. Already most Orchestras have seen the beneficial effects of government money coming through the National Endowment, creating new work, expanding our audiences and supporting the most worthy new ideas developed in our symphony world.

NOW is the time! Our friends in Congress, and particularly those on Appropriations Committees, must be showered with our letters, cards and telegrams demanding that they support what we know to be in the best interests of our culture and our society.

1972 ICSOM CONFERENCE

The 1972 ICSOM Conference will be held in Montreal from August 28 through August 31. Our colleagues in Montreal have arranged fine accommodations and "after-meeting" activities.

Those who have attended past conferences know that we hold "working meetings." Each orchestra is encouraged to send its best, most knowledgeable representative — someone thoroughly experienced in orchestra affairs. Whenever possible, an orchestra should notify the ICSOM Secretary, or its regional Vice-Chairman of any important matters it wishes to place on the agenda. In addition, if a delegate plans to put significant questions before the Conference, he should prepare papers outlining the issues in detail. The better preparation a delegate makes the more his Orchestra, and ICSOM will derive from his attendance. As a foot-note, it would be helpful if delegates would bring any corrections or additions to bring the ICSOM DIRECTORY and the AFM SYMPHONY CHART up to date.

Fraternally,
RALPH MENDELSON

CONFERENCE AGENDA

The agenda for the Conference in Montreal is normal — full to overflowing. The Chairman will report on Contract negotiations, AFM-Symphony Strike Fund, Partnership for the Arts, the 1971 ICSOM Program, Recording negotiations, and Relations with the AFM. The Recording and the Budget Committee will report. Unfinished business includes negotiation reports by orchestras, the wage stabilization program, ICSOM contract standards, Recording-Radio-T.V.-Cable T.V.-Video Cassette problems. Orchestras with special items for the agenda should notify the Secretary or their own Area Vice-Chairman.

MONTREAL TO HOST 1972 CONFERENCE

The Montreal Symphony Orchestra is delighted with the opportunity to host the ICSOM Conference at the end of August.

Essential information regarding the Conference has been sent to ICSOM Correspondents in order to plan advance arrangements for accommodations at the elegant Ritz-Carlton Hotel. Other orchestras of the US and Canada have been invited to send Observers with the thought that they may ultimately wish to join ICSOM.

There is no institution in Canada which exerts so strong an influence on Canadian orchestras as the "Canada Council." Knowledge about the Canada Council may be of timely interest to all of the orchestras of the US. It is with great pleasure, therefore, that we have invited a representative of the Canada Council to address the delegates and observers during a dinner to be held in L'Auberge le Vieux Saint-Gabriel, the oldest restaurant in Montreal.

We are anxious to impress upon our visitors the benefits of our *Canadian* way of life. We are also very happy to welcome our guests to the marvelous "joie de vivre" which is the characteristic of our lovely city.

We know that you will enjoy your stay in Montreal.

EUGENE HUSARUK
Chairman, Players' Committee
Montreal Symphony Orchestra

BOOK REVIEWS

"*Bach, Beethoven and Bureaucracy*," by Edward Arian, University of Alabama Press. Dr. Edward Arian, Professor of Political Science at Drexel University, was a member of the Philadelphia Orchestra for twenty years and several times represented that orchestra at ICSOM Conferences. His book is valuable as a case history of the Philadelphia Orchestra but it is far more — one is tempted to label it "absolutely invaluable" as a study of the orchestral musician, his needs, his goals, his frustrations, in fact his whole life-style. Arian couples keen insight with long orchestral experience to produce explanations for why we orchestral musicians act as we do in rehearsals, in concerts, in orchestra meetings, in negotiations. His analysis of *Orchestral Management* is no less perceptive. "Must reading!" \$7.50

"*Hollywood Studio Musicians*," by Robert R. Faulkner, Aldine-Atherton Inc., Chicago. Dr. Faulkner, Professor of Sociology, University of Rochester, examines the role of the musician in the electronic reproduction industry in much the same way as Arian examines his role in the symphony orchestra. (The title is somewhat misleading — while Faulkner's case histories were taken in Hollywood, his facts and analysis apply to all who work in the electronic media.) Faulkner brings the same illumination to the "commercial scene" that Arian brings to the symphony orchestra. Frustrated ICSOM musicians could find this book of considerable personal value. The grass is not always greener. . . .

TAX SHELTERED ANNUITIES

Tax Sheltered Annuities: What are they? How do they work? Would they be good for you?

In one affluent ICSOM orchestra only three musicians invest in Tax Sheltered Annuities (TSA). In another orchestra 73 musicians had over \$250,000 withheld from their wages last year for investment in TSA. Now why this great difference of opinion? Perhaps this article will give some answers.

First of all, the purpose if TSA is very simple. Let's take a hypothetical example:

The Boston Bassoon Co. earns a dollar profit. Since profits are taxed perhaps the government takes 25c and Boston Bassoon keeps 75c. But if that dollar goes into the company's pension plan it is not taxed. By not taking its tax the government has enriched the pension plan by 25c.

The Boston Symphony also earns a dollar, but it is not "profit" and is not taxed. There is no 25c of tax to be "forgiven" if that dollar goes into the pension plan.

Obviously the tax system has "encouraged" pensions for Boston Bassoon employees but has done nothing for Boston Symphony players. TSA is the government's answer to this inequity in the tax structure.

In establishing TSA Congress simply said, in effect, "If the employee of a non-profit organization establishes his own pension plan he too is entitled to a tax break and a percentage of his wages will be tax free." Then, of course, came some rules and regulations:

BASIC RULES OF TSA

1. Internal Revenue Service must certify the employer as "non-profit."

2. Employee must request a *reduction* in pay, and employer must agree to invest the amount of that reduction in an insurance annuity selected by the employee. *An insurance annuity is the only "personal pension" TSA permits.* No other form of investment qualifies!

3. The percentage of his wages an employee can put in TSA depends on his salary and his years of service.

4. No withholding tax is taken out of wages invested in TSA.

FACTS AND FALLACIES

FACT: While wages withheld are not taxed at the time of investment (some states also honor TSA tax-wise), whenever TSA funds plus all interest and earnings are returned to you, next year or forty years from now, they become ordinary income and are taxed as such.

FALLACY: Then TSA only postpones the tax.

FACT: If TSA is a personal pension, you will probably take it in installments at a time when your income is reduced and when part of that income will come from such non-taxable or partially-taxable sources as Social Security and a Symphony pension. If so, the odds are you will pay very little if any tax.

FALLACY: All insurance annuities are alike.

FACT: TSA permits considerable leeway in plans. One may choose a "fixed" or a "variable" annuity, or a combination. In a fixed annuity your money is kept safe and earns a stated percentage of interest. A variable annuity is like a mutual fund. The safety of your money, and any profits, depend on the company's success with its investments in a special and separate portfolio of stocks and bonds.

FALLACY: All insurance companies are alike.

FACT: In the variable annuity field some companies are high flyers and some are very conservative. In the fixed annuity area one finds considerable variance in interest rates and also in each

company's history of paying extra dividends. A careful look at the company's record over many years is necessary.

FALLACY: I can get it for you wholesale.

FACT: The insurance agent's commission is fixed by law and is not subject to variance. Like our Union, the government takes a dim view of kickbacks!

The purpose of this article has been to explain TSA in the simplest terms possible. The truth is that TSA is not simple. The government set it up, the government controls it, and the Internal Revenue Service oversees it. How could it be simple? The advice of an insurance counselor, well versed in TSA is therefore essential.

No report on insurance would be complete without graphs and tables. Try this: If you had a net taxable income of between \$8,000 and \$12,000 you could invest \$20 a week in TSA and your take-home pay would be reduced by only \$15.60. In 50 weeks you would have \$1,000 in TSA at an actual cost to you of \$780. In higher income brackets, and in some states, the results can be spectacular. In one actual case a musician invested \$5,000 with a resultant federal tax saving of \$1,500 and a state tax saving of \$500. His \$5,000 TSA investment actually reduced his spendable income by only \$3,000.

At the start of this article we wondered why 70% of one orchestra invests in TSA while another orchestra shows almost no interest. Discussions with many musicians, insurance and tax experts suggest the following explanations: 1. Few people really understand TSA, and this includes people in insurance and tax fields; 2. Beset as we all are by premiums on life, accident, auto and fire policies, the very word "insurance" tends to turn us off; 3. The idea of the government giving us a tax break because we are "non-profit" is new and a bit hard to believe.

TSA will not fit the pocketbook or fill the bill for every ICSOM musician. But, to completely ignore its availability is equivalent to ignoring all the other deductions the government allows you as a musician to claim on your tax return.

VANCE BEACH

In Chicago in 1961 I saw a room full of musicians — zealous, hard working and with a single purpose; to transform our profession from one that was part time to one that would provide adequate working conditions, economic security and a climate that would attract rather than repel talent. It is to the credit of ICSOM orchestra members that the need was recognized. In ten years much has been achieved. In the labor-management relationship ICSOM has truly been a "third force", quietly transforming dreams to reality.

Most important has been the willingness of musicians to support on a voluntary basis. It is this support through free choice that has been ICSOM's strength. This means that decision making by delegates at annual conferences must continue to reflect general member attitudes if ICSOM action is to remain a mirror of membership feelings and merit the support we now enjoy.

Over three thousand symphony musicians have been the beneficiaries of their good judgment to unite and exchange ideas. How great the dividend and how low the annual premium.

HENRY SHAW

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